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E.O. 11652: N/A
TAGS: EAGR, EPAP, UR
SUBJECT: AGRICULTURAL SITUATION REPORT - POLICY DEVELOP-
MENTS (SS8008 - 24A)

A. SUMMARY: NO MAJOR POLICY SHIFTS OCCURRED. MAJOR
EMPHASES OF 10TH PLAN WERE CONTINUED AND ELABORATED. OF
HIGHEST PROFILE TO WESTERN OBSERVERS WAS FURTHER TOP-LEVEL
ATTENTION PAID TO NEED, AT PRESENT AT LEAST, FOR PRIVATE
SUBSIDIARY PLOTS. OTHER THEMES SINGLED OUT FOR INDIVIDUAL
TREATMENT INCLUDED POULTRY, MECHANIZATION, AMENITIES AT
LOCAL LEVEL, TRANSFER OF TECHNICIANS TO LOCAL LEVEL AND
IMPROVED PERFORMANCE OF FOOD SECTOR. SIGNIFICANT NEW
DIRECTIONS IN SOVIET AGRICULTURAL POLICY ARE NOT ANTICI-
PATED FOR 1978.

B. PARTY AND GOSU PRONOUNCEMENTS IN 1977:

1. IMPORTANT ISSUANCES. THE MAJOR SOVIET MEDIA FOR PUBLIC
POLICY DISSEMINATION ARE SPEECHES BY PARTY LEADERS AT
PLENA, CONGRESSES AND OTHER OCCASIONS, CPSU CC RESOLUTION
AND LETTERS TO THE PEOPLE BY PARTY OR GOVERNMENT FIGURES.
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SUCH ACTIONS RECEIVE FULL COVERAGE IN THE CENTRAL PRESS.
THESE PRONOUNCEMENTS IN 1977 WERE BARREN OF MAJOR NEW
INITIATIVES. THE SUBJECTS COVERED BY CC RESOLUTIONS
INCLUDED: HARVEST MEASURES, POULTRY, RETAIL TRADE DEVELOP-
MENTS, TRANSFER OF AGRICULTURAL SPECIALISTS TO RURAL
AREAS, WINTERING OF LIVESTOCK, FARM MACHINERY MAINTENANCE
AND UTILIZATION, AND CULTURAL AMENITIES.

THE KNOWN SPEECHES WHICH CONTAINED IMPORTANT SUBSTANCE AFFECTING AGRICULTURE LAST YEAR INCLUDED BREZHNEV'S COMMENTS AT THE 16TH LABOR UNION CONGRESS AND HIS SPEECH AT THE DECEMBER CC PLENUM. WE LEARNED OF NO PUBLIC LETTERS FROM PARTY OR GOVERNMENT ORGANS WHICH INTRODUCED SIGNIFICANT POLICY THEMES. THESE LETTERS, AS USUAL, IN THE MAIN, PRAISED PAST EFFORTS AND ALMOST IN MILITARY SLOGAN FASHION CALLED FOR GREATER EFFORTS IN FUTURE. AGAIN, AS IS THE CUSTOM, THEY FREQUENTLY INCLUDED SPECIFIC INSTRUCTION ON PERFORMANCE AND ALSO CITED HIGH AND LOW LEVEL PERFORMERS BY REGIONAL EXAMPLE, SOMETIMES EVEN NAMING INDIVIDUALS OR FARMS.

2. OTHER POLICY FORA. GOVERNMENT ACTIONS OF LOWER ECHELONS OF THE SOVIET ESTABLISHMENT, THEIR BELIEFS AND EXTANT UNPUBLISHED PARTY DECISIONS ARE, OF COURSE, EVEN MORE IMPORTANT TO ASSESSING POLICY SHIFTS THAN ARE PUBLIC POLICY. OUR PROBLEM HERE IS TOO LITTLE INFORMATION EXCEPT ON ADMINISTRATIVE DECISIONS. OUR MAIN SOURCE OF SUCH FACTS ARE ARTICLES IN THE PRESS AND JOURNALS WHICH ARE WRITTEN BY ACADEMICIANS, OFFICIALS AND THE PRESS -- ALL OF WHICH ARE TO GREATER OR LESSER DEGREE OFFICIAL. FROM THESE IT IS OUR IMPRESSION THAT THE CONTINUING FAILURE OF THE FARM SECTOR TO PROVIDE SUFFICIENT MEAT, VEGETABLES AND FRUITS HAS PRODUCED LESS CONCERN WITH DOGMA AND MORE CON-

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STRUCTIVE ANALYSIS, AND INCREASED REALISM IN PROGRAMS AND GOALS THAN WAS THE CASE IN EITHER 1975 OR 1976. FULL DISCLOSURE OF ALL PARTY DECISIONS IS NOT MADE AND WHOLLY OBJECTIVE CRITICISM IS SIMPLY NOT PUBLISHED. THE ONLY GUIDE WE HAVE AS TO POLICY BELIEFS OR CONVICTIONS AND TO UNKNOWN PARTY POLICY RESOLUTIONS IS AGAIN THE ABOVE MENTIONED AGRICULTURAL LITERATURE, AND THE NUMBER OF SUCH ARTICLES NOTED WHICH ADVOCATE CHANGE OR QUESTION OR CRITICIZE GOVERNMENT EFFICIENCY. THIS, OF COURSE, CANNOT BE MEASURED QUANTITATIVELY, BUT AGAIN IT IS OUR IMPRESSION THAT THESE CASES INCREASED APPRECIABLY IN 1977. IF TRUE, THIS COULD AT LEAST MEAN A CHANGE TOOK PLACE IN PUBLIC INFORMATION POLICY AND THAT SUBSTANTIALLY MORE DOUBT EXISTS ABOUT INDIVIDUAL SOLUTIONS TO THEIR FARMING PROBLEMS THAN PREVIOUSLY OR EVEN THAT NEW POLICY DECISIONS ON SOME OF THE MATTERS HAVE INDEED ALREADY BEEN MADE.

C. COMMENTS ON POLICY DEVELOPMENTS:

1. GENERAL DIRECTIONS. AGATT OFFICE CAPACITY FOR COMPREHENSIVE POLICY REVIEW AND ANALYSIS IN 1977 WAS FRANKLY VERY LIMITED. WE, NEVERTHELESS, KNOW THAT OUR COMMENTS ARE NEEDED AND THEREFORE FOLLOW. 1977 IN OUR VIEW DID NOT

ON THE WHOLE PRODUCE SIGNIFICANT NEW AGRICULTURAL POLICY. THIS WAS TO BE EXPECTED IN THE SECOND YEAR OF THE 10TH PLAN -- WHICH SUCCEEDED RECORD 1976 GRAIN CROPS. WHAT OCCURRED WAS REITERATION AND AMPLIFICATION OF THE POLICY LINES ESTABLISHED BY THE 25TH CONGRESS FOR THE 1976-80 PLAN PERIOD. THIS MEANS NO NEW THEMES WERE EVEN INTRODUCED UNLESS RETAIL TRADE DEVELOPMENT AND THE CALL FOR AN INCREASED ROLE FOR CONSUMER COOPERATIVE (BOTH OF WHICH ARE NOT STRICTLY AGRICULTURAL TOPICS) MIGHT BE CONSIDERED VITAL AND NEW.

2. PRIORITY INDICATED. THE SUBJECTS WHICH ARE HANDLED

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ANNUALLY AND THEIR MANNER OF TREATMENT TEND TO SHOW AREAS OF PRIORITY AND DEGREE OF EXIGENCY. NEARLY ALL OF LAST YEAR'S TOPICS RELATED EITHER DIRECTLY OR INDIRECTLY TO THE NEED FOR MORE "QUALITY" FOODS, MAINLY MEAT, FRESH VEGETABLES AND FRUITS. POLICY SOLUTIONS WERE, HOWEVER, LARGELY REPETITIOUS OF PAST DOGMA AND PROGRAM WITH ONLY MINOR DIVERGENCES FROM PAST APPROACHES TO PROBLEMS.

3. NO PANACEA. THERE WAS IN GENERAL CONTINUED AVOIDANCE OF OVER-SIMPLIFIED PANACEA TYPE CONCEPTS AND PLANS, INVOLVING FOR EXAMPLE SINGLE SOCIALIZED INSTITUTIONAL FORMULAE. A CASE IN POINT IS MEAT PRODUCTION IN WHICH COLLECTIVES, STATE FARMS, INTER-FARM COMPLEXES, STATE ENTERPRISES AND PRIVATE PLOTS ARE EXHORTED TO ENDEAVOR AND ALL SHARE THE RESPONSIBILITY FOR REQUIRED INCREASED OUTTURN. NOR IS THERE IN THIS INSTANCE ANY ATTEMPT TO APPORTION OR DIVIDE WORK

AMONG THE VARIOUS PARTICIPANTS. THE INTER-FARM COMPLEX, INDEED, CONTINUES THE DESIGNATED SUPER ORGANIZATIONAL FORM OF THE FUTURE, BUT CAUTIONS CONTINUED AGAINST TOO RAPID, UNECONOMIC FORMATION OF THESE COMPLEXES. AT THE SAME TIME AT HIGHEST POLITICAL LEVEL, BREZHNEV THIS YEAR STRONGLY DEFENDED THE CONTINUED NEED FOR PRIVATE PLOT LIMITED OFFICIAL USE

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ANIMAL HUSBANDRY AND SCORED COLLECTIVES AND STATE FARMS FOR ABANDONING LIVESTOCK OPERATIONS TOO QUICKLY. THIS OVERSIGHT TYPE OF POLITICAL INVOLVEMENT IN WELL ESTABLISHED GOVERNMENT PROGRAMS MUST INCREASE THE DIFFICULTY OF AN ALREADY IMPOSSIBLE TASK FOR TECHNOCRATS. ISSUANCES SUCH AS THESE TEND TO MISDIRECT THE MAIN SOVIET EFFORT TO SPECIALIZE AND INDUSTRIALIZE LIVESTOCK OUTPUT, BOTH WITH REGARD TO RESOURCES AND CONTROL. TODAY'S POLITICAL LEADERS ARE, HOWEVER, APPARENTLY NOT YET PREPARED TO FULLY TRUST THE SPECIALISTS, JUST AS KRUSHCHEV REFUSED TO BELIEVE HIS ADMINISTRATORS EVEN THOUGH HE KNEW THAT THEY REQUIRED AS POLITICALLY UNFETTERED A HAND AS POSSIBLE.

4. LACK OF CONTROL APPARENT.

TO THE WESTERNER WHO EXPECTS MORE CENTRAL CONTROL IN A DIRECT CHAIN OF COMMAND FROM AUTHORITATIVE PLANNED ECONOMIES, IT IS SURPRISING TO FIND SUCH DIVERSIFIED TYPES OF ORGANIZATIONS AND PROGRAMS INVOLVED, EVEN SEMI-PRIVATE AGRICULTURAL ENTITIES. POSSIBLY MORE CONTROL EXISTS, OR IS ATTEMPTED, THAN IS APPARENT. THIS CONTINUATION OF OLD FORMS, THE INTRODUCTION OF NEW PRODUCTION ORGANIZATIONS AND SIMULTANEOUS FOLLOWING OF SEVERAL POLICY DIRECTIONS AT ONCE, MUST BE MAINLY A FUNCTION OF UNDER ACHIEVEMENT COMBINED WITH LACK OF CONFIDENCE IN ANY SINGLE ORGANIZATIONAL APPROACH. THIS CERTAINLY ALSO DEMONSTRATES DEPTH OF NEED FOR INCREASED FOOD PRODUCTION AND POLITICAL CONSCIOUSNESS OF THE SITUATION. THE PARTY AND GOVERNMENT ARE, HOWEVER, NOT AT ANY LOSS FOR DOGMA TO SUPPORT THE SYSTEM AS WHOLE AND EACH ELEMENT INCLUDING PRIVATE PLOTS AS SOCIALIST THROUGH AND THROUGH. ONE MIGHT EVEN CONSTRUCT FROM SOME OF THESE EXPLANATIONS THAT THE PRIVATE PLOT IS A SOCIALIST INVENTION.

5. USE OF MONETARY INCENTIVES

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A) 1977 BROUGHT MORE CASES OF FURTHER AND SEEMINGLY INCREASED USE OF MONETARY AND IN-KIND PRODUCTION INCENTIVES IN AGRICULTURE. THIS IS NOT NOVEL OF COURSE, BUT IT

REPRESENTS FURTHER MOMENTUM ALONG THE CONTINUUM WHICH STARTED YEARS AGO FROM THE ORIGINAL SOCIALIST POSITION THAT PECUNIARY MOTIVES WERE BOTH ODIUS AND UNNECESSARY. IT WAS PUBLICLY ANNOUNCED LAST SPRING, FOR EXAMPLE, THAT THE 10TH PLAN INCLUDED ESSENTIAL PRICE BOOSTS OF 7 PERCENT FOR GRAINS, 12 PERCENT FOR SUNFLOWERS AND HIKES FOR CERTAIN OTHER COMMODITIES AVERAGING 3 PERCENT. MEAT PRICES, IT WILL BE RECALLED WERE INCREASED SLIGHTLY IN 1976. THE ARTICLE DID NOT MAKE CLEAR WHEN THE INCREASES ARE TO GO INTO EFFECT, BUT PROBABLY, MOST SUCH PROCUREMENT PRICES HAVE ALREADY BEEN INSTITUTED. MANY PAY BOOSTS, IN KIND AND MONETARY, WERE ALSO INSTITUTED FOR SCARCE OR UNDERPERFORMING LABOR RANGING FROM TRACTOR AND COMBINE DRIVERS TO CASUAL HARVEST PERIOD RECRUITS. ANOTHER USE OF SUCH INCENTIVES WAS TO ATTEMPT TO DRAW AGRONOMISTS, AGRICULTURAL ENGINEERS AND OTHER GRADUATES FROM TECHNICAL INSTITUTES BACK TO THE COUNTRY-SIDE. IN-KIND PAYMENTS VARIED FROM GRAIN AND PRODUCE TO CARS AND HOUSING. IF ANY POLICY SHIFT TOOK PLACE ON THE USE OF MATERIAL REWARDS, IT WAS INCREASED USE AND THE MORE FRANK EXPRESSION OF THEIR NECESSITY FOR STIMULATING BETTER PERFORMANCE.

B) PRIVATE SUBSIDIARY PLOTS. WE REPORTED ABOVE AND SEVERAL TIMES DURING THE YEAR ON PRIVATE PLOT DEVELOPMENTS. THERE IS NO NEED HERE TO REITERATE THE POLICY UTTERANCES STARTING WITH THE 25TH CONGRESS PROCEEDINGS. THE FEW ADDITIONAL COMMENTS CONSIDERED NECESSARY ARE AS FOLLOWS: FIRST, THERE IS NO QUESTION THAT THEIR LEASE ON LIFE HAS BEEN EXTENDED. SECONDLY, IN OUR VIEW THEY WILL, IN THE NEAR TERM AT LEAST, BE THE BENEFICIARIES - NOW LEGALLY ENTITLED - OF ADDITIONAL INPUTS FROM THE SOCIALIZED SECTOR, MAINLY OF A LOW TECHNOLOGY TYPE SIMPLY BECAUSE THEIR STATUS HAS BEEN AT LEAST TEMPORARILY CHANGED FROM AN ABOMINABLE ANTI-SOCIALIST

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INSTITUTION TO THAT OF AN ESSENTIAL ANACHRONISM WHICH MUST BE TOLERATED UNTIL IT CAN BE DISPENSED WITH. NEXT, SOME NEAR TERM UNKNOWN LEVEL OF OUTPUT INCREASE FROM PRIVATE PLOTS MAY THEREFORE BE EXPECTED. ANOTHER POINT IS THAT THE PRIVATE PLOT IS STILL A TEMPORARY PHENOMENON OR A RECREATION IN THE SOVIET LONG VIEW -- ALBEIT ONE WHICH MAY BE REQUIRED FOR A GOOD MANY YEARS TO COME. THIS MEANS THAT IN GOOD PRODUCTION CYCLES WE WILL SEE THE PRESSURES FOR THEIR CURTAILMENT COME TO THE FORE AGAIN. LASTLY, IT IS IMPORTANT NOT TO OVER-EVALUATE THE SIGNIFICANCE OF THIS POLICY CHANGE. THIS IS NOT IN OUR VIEW A RETURN TO PRIVATE AGRICULTURE, EVEN IN THE SHORT RUN, AS MANY WILL WANT TO VIEW IT. THESE SUBSIDIARY PLOTS ARE TINY AND THERE IS NO INDICATION THAT THEIR SIZE IS TO BE INCREASED. THEY ARE ESSENTIALLY MANUAL LABOR OPERATIONS, AND THERE IS NO CHANCE IN THE IMMEDIATE FUTURE FOR EVEN MINIMAL MECHANIZATION. THIS IS NOT A REPEAT OF THE 1970 POLISH EXAMPLE IN WHICH AN ALREADY PREDOMINANTLY PRIVATE AGRICULTURE WAS GREATLY REVITALIZED. IN ADDITION TO THE OTHER POLICY DEVELOPMENTS LAST YEAR ON THESE PLOTS, IT LOOKS AS THOUGH A CPSU CC RESOLUTION WAS ADOPTED IN THE FALL (IT IS SAID TO BE NO. 843 OF SEPTEMBER 16) WHICH DEALT, IN PART AT LEAST, WITH VARIOUS MEASURES TO PROVIDE GREATER MATERIAL INPUTS FOR

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PRIVATE PLOTS. IT HAS NOT OT OUR KNOWLEDGE BEEN PUBLISHED, AND IN OUR VIEW IT PROBABLY WON'T BE.
C) INTER-FARM COMPLEX APPROACH. THE INTER-FARM APPROACH REMAINS THE OPTIMAL ORGANIZATIONAL ENTITY FOR ACCELERATING AGRICULTURAL SPECIALIZATION AND INDUSTRIALIZATION. BREZHNEV IN HIS 16TH TRADE UNION CONGRESS SPEECH, AS MENTIONED PREVIOUSLY, CHASTISED STATE AND COLLECTIVE FARMS FOR TOO RAPIDLY CUTTING BACK THEIR OWN LIVESTOCK OPERATIONS, BUT THIS QUE HAS NOT BEEN PICKED UP IN OTHER UTTERANCES. THE RATE OF FORMATION OF NEW INTER-FARM COMPLEXES ACCELERATED SOMEWHAT AGAIN LAST YEAR. AT THE END OF 1977 THERE WERE 7,800 COMPARED TO ABOUT 7,000. THE PREVIOUS YEAR AND 6,327 IN 1975. THE ANNUAL AVERAGE RATE OF INCREASE IN THE 1970-75 PERIOD WAS ONLY ABOUT 300. IT WILL BE RECALLED THAT BOTH VERTICAL AND HORIZONTAL SPECIALIZATION IS INVOLVED. SET FORTH BELOW IS A PARTIAL BREAK-DOWN OF THE ECONOMIC ACTIVITIES PERFORMED BY THOSE IN EXISTENCE AT THE START OF LAST YEAR, AND CHANGES FROM PREVIOUS YEAR.

	NUMBER	CHANGE
BUILDERS	-	2,738 MINUS 1

BUILDING MATERIALS	-	128	MINUS 31
FOREST ENTERPRISES	-	496	PLUS 31
INDUSTRIAL FEED MANUFACTURE		426	PLUS 11
FARM PRODUCT PROCESSING	-	38	PLUS 9
LIVESTOCK OPERATIONS	-	722	PLUS 131
POULTRY OPERATIONS	-	525	MINUS 31
ARTIFICIAL INSEMINATION STATIONS		212	PLUS 18
SPECIALIZED ACTIVITIES	-	204	MINUS 37

THE PRIORITIES FOR FORMING NEW COMPLEXES LARGELY REFLECT NEED OR SHORTFALL IN VITAL INPUTS OR SERVICES, PRIORITY OF OUTPUT OF FOOD PRODUCTS AND COMPLEXITY OF ENTERPRISE. AS LIMITED OFFICIAL USE

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IS TO BE EXPECTED, LIVESTOCK UNITS AND RELATED SPECIALIZATIONS HAVE THE HIGHEST PRIORITY, BUT AVAILABILITY OF AN ADEQUATE FEED BASE IS STRESSED. TOO MANY SUCH UNITS IN PAST LACKED THIS ESSENTIAL. SOME OTHER ACTIVITIES OF SPECIAL IMPORTANCE ARE FOOD PROCESSING, LAND RECLAMATION (IRRIGATION AND DRAINAGE) AND GRAIN AND FERTILIZER INSTALLATIONS.

6. INVESTMENT POLICY. IN THE 1977 PLAN, THE POLICY OF HIGH LEVEL OFF FARM INPUTS WAS MAINTAINED. PRIORITIES FOR CAPITAL CREATION REMAIN UNCHANGED, E.G., FEED MILLS, LIVESTOCK FACILITIES, FERTILIZER, GRAIN AND SEED STORAGE, MECHANIZATION AND MAINTENANCE, DRAINAGE AND IRRIGATION AND THE ENDEAVOR TO PUT SCIENCE AND TECHNOLOGY TOGETHER AT THE LOCAL LEVEL. WHETHER BY INTENT OR NOT, INVESTMENT OF CAPITAL FROM NATIONAL FUNDS LAST YEAR WAS LOWER THAN WE EXPECTED. COLLECTIVE AND STATE FARM FUND EXPENDITURES, HOWEVER, COMPENSATED THIS CUTBACK. PLANS THIS YEAR SHOW THAT THIS WILL BE REVERSED AGAIN IN 1978, WITH STATE MONIES BEARING THEIR USUAL SHARE. 1978 TARGETS FOR INVESTMENT IN GENERAL AND FOR INDIVIDUAL OFF-FARM INPUTS GENERALLY REFLECT PREVIOUSLY PLANNED HIGH 10TH PLAN LEVELS WITH NO MAJOR CHANGES.

7. FOOD CHAIN IMPROVEMENTS. WE ARE UNABLE TO ASSESS YET THE SIGNIFICANCE OF THE NEW DIRECTIONS, IF ANY, WHICH LAY AHEAD IN THE FOOD INDUSTRY AND RETAILING (FOOD PRODUCTS AND CATERING) WHICH WERE MENTIONED BY BREZHNEV, AND WHICH WERE ALSO THE SUBJECT OF A CC RESOLUTION. THE NEED FOR NEW FOOD PRODUCTS, ESPECIALLY CONSUMER READY ITEMS, HAS RECEIVED COVERAGE SINCE AT LEAST 1975. IT WOULD NOT BE SURPRISING IF SOME SORT OF REORGANIZATION WERE UNDERTAKEN IN 1978. SUCH MOVES AT LOWER LEVELS SEEM LIKELY, AND, GIVEN BREZHNEV'S PENCHANT FOR CENTRALIZATION AS A SOLUTION TO COORDINATION PROBLEMS, SOMETHING AT THE MINISTERIAL LEVEL REMAINS A POSSIBILITY, ,OWEVER SLIGHT. IT COULD BE LIMITED OFFICIAL USE

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THE CREATION OF A SUPER-MINISTRY OF FOOD AND AGRICULTURE WHICH WOULD INCLUDE AGRICULTURE, THE FOOD INDUSTRY, PROCUREMENT AND DISTRIBUTION. THIS APPROACH WAS GIVEN PRESS TREATMENT IN THE FALL, IN WHICH BOTH EAST GERMANY AND CZECHOSLOVAKIA WERE MENTIONED AS SUCCESSFULLY CONSOLIDATING ALL ELEMENTS OF THE FOOD CHAIN IN A SINGLE ADMINISTRATIVE UNIT.

8. CONSUMER COOPERATIVES. EXPANSION OF CONSUMER COOPERATIVES, PRIMARILY FOOD PROCUREMENTS FROM THE PRIVATE SECTOR IS ANOTHER WAY OF BOOSTING FOOD SUPPLIES IN CITIES, THE GOVERNMENT'S MAJOR CONCERN. BREZHNEV ALSO TOUCHED ON THIS SUBJECT IN HIS TRADE UNION SPEECH AND THE AFOREMENTIONED RESOLUTION CALLS FOR AN INCREASE OF SUCH ACTIVITIES. WE HAVE NO INFORMATION ON PAST POLICY TOWARDS SUCH ORGANIZATIONS. THEY ARE A LONG STANDING PART OF THE PROCUREMENT SYSTEM FOR SOME COMMODITIES, MILK FOR EXAMPLE, AND IN SOME CASES THEY ALSO PERFORM RETAIL FUNCTIONS. THE IMPRESSION WE HAVE IS THAT IN SOME AREAS THEY HAVE BEEN INCREASINGLY ACTIVE AND MOVING INTO THE RETAIL FIELD WITH MEAT AND PRODUCTS. IF CORRECT, THIS MEANS THAT AS WE SUSPECT THIS EMBRACEMENT OF SUCH COOPERATIVES ALSO IS NOT A NEW POLICY.

9. IPATOVSHI SYSTEM. STAVROPOL KRAY AND THE IPATOVSHI MODEL GRAIN HARVESTING METHOD OR SYSTEM WAS GIVEN PRESS,

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RADIO AND TELEVISION MENTION BY THE THOUSANDS THIS YEAR. IT COVERED MANPOWER ORGANIZATION, COMBINE OPERATION, TRANSPORTATION AND STORAGE AND HANDLING. IT MUST HAVE CONTAINED NEW ELEMENTS OF WHICH WE ARE NOT AWARE SINCE WE HAVE NO SPECIFIC KNOWLEDGE OF PAST HARVEST METHODS EMPLOYED. WE VIEWED ITS EXPOSURE MAINLY AS A CONVENIENT VEHICLE FOR PUBLICIZING THE USUAL CAMPAIGN TO GET IN THE HARVEST WITH MINIMUM LOSSES. IT WAS QUITE A CAMPAIGN THOUGH.

10. STAVROPOL PRODUCTION LINKS. THE STAVROPOL LINK SYSTEM FOR CROP PRODUCTION ALSO RECEIVED FAVORABLE PRESS COVERAGE AGAIN THIS YEAR. IT WILL BE RECALLED THAT WE REPORTED THE FACT THAT ARTICLES APPEARED ON THIS METHOD OF ORGANIZING FIELD WORK IN WHICH TOTAL RESPONSIBILITY FOR CROP PRODUCTION WAS ASSIGNED IN THE STAVROPOL DISTRICT TO A TEAM OR LINK AT THE BRIGADE LEVEL. THEY HANDLED ALL FIELD WORK AND WERE REMUNERATED ON A COST ACCOUNTED OUTPUT NORM BASIS, THUS RECEIVING SUBSTANTIAL BONUSES FOR OVER-FULFILLMENT OF GOALS. THE NUMBER OF FARMS USING THIS LINK SYSTEM NEARLY DOUBLED IN 1976 ACCORDING TO ANOTHER ARTICLE. ALTHOUGH PROPOSED IN THE 1960S, THIS WORK METHOD HAD NEVER BEEN UTILIZED UNTIL AROUND 1975, AND ITS PROPONENTS SEVERELY CRITICIZED. THE LEVEL OF TREATMENT GIVEN LAST YEAR TO THIS SYSTEM AGAIN INDICATES THAT IT IS DESERVING OF CONSIDERATION, BUT NOT THAT IT IS THE, REPEAT, THE OPTIMAL FIELD WORK ORGANIZATION MODEL FOR USE BY ALL COLLECTIVES AND STATE FARMS.

D. POLICY ASSESSMENT - ADEQUACY

OVERALL SOVIET PLANNING IS IMPRESSIVE IN MANY RESPECTS, BOTH WITH REGARD TO COMPLETENESS AND EMPHASIS. FURTHER, ALTHOUGH THERE ARE LIMITS TO THE OBJECTIVITY WHICH THE SYSTEM CAN EXHIBIT, THE 1977 POLICY INCREMENTS WOULD SEEM TO REFLECT MORE RATHER THAN LESS WILLINGNESS TO FACE UP TO

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SOME DIFFICULT REALITIES. SOVIET PREOCCUPATION WITH AGRICULTURE AND THE RESULTING HIGH LEVEL INVESTMENT SHARE ALLOCATED TO THIS SECTOR ARE CORRECTLY VIEWED AS ESSENTIAL FOR TWO REASONS. FIRST, THEY NEED IMPROVED QUALITY DIETS, AND SECOND, IT IS RECOGNIZED THAT GENERAL PROGRESS IN MANY OTHER AREAS OF THEIR SOCIETY IS DEPENDENT UPON FREEING LABOR FROM THE COUNTRYSIDE. FROM THIS FOLLOWS THE DRIVE FOR INDUSTRIALIZATION AND SPECIALIZATION WITH SLIGHTLY OVER 25 PERCENT OF TOTAL INVESTMENT EARMARKED FOR AGRICUL-

TURE IN AN EFFORT TO INCREASE LABOR PRODUCTIVITY. POLICY PRIORITIES ARE CONSIDERED IN THE MAIN RATIONAL, GIVEN THE SITUATION, ITS POTENTIALITIES, AND LIMITATIONS -- ENVIRONMENTAL, POLITICAL AND ECONOMIC. OUR MAJOR CRITICISM IS THAT SINCE ACHIEVEMENT OF ALL GOALS SIMULTANEOUSLY IS IMPOSSIBLE, MORE EFFORT SHOULD BE DEVOTED TO FIXING ANNUAL PLAN TARGETS IN THE ORDER OF THEIR IMPORTANCE. IN OTHER WORDS, THOUGH GENERAL POLICY IS JUDGED ON THE WHOLE CORRECT, CURRENT TARGETS IN CROPS AND INPUTS ARE FREQUENTLY OVER-OPTIMISTIC, SINCE TOO LARGE AN ELEMENT OF SELF-SUFFICIENCY IS ASSUMED. THIS MEANS THAT FREQUENTLY INDIVIDUAL CROP GOALS ARE UNREALISTIC UNLESS WEATHER CONDITIONS ARE GOOD OR EVEN EXCELLENT. POTENTIAL SUCCESS OF CURRENT AGRICULTURAL POLICY IS HANDLED IN A FORTHCOMING CABLE ENTITLED USSR AGRICULTURAL PERFORMANCE IN 1977 AND OUTLOOK.

E. POLICY OUTLOOK FOR 1978

ALTHOUGH PRESSURE CONTINUES FOR MORE RAPID PROGRESS IN AGRICULTURE, WE DO NOT ANTICIPATE SIGNIFICANT POLICY SHIFTS IN 1978. THE 10TH PLAN BLUEPRINT HAS ESTABLISHED THE OVERALL EMPHASES, AND 1977 RESULTS, MAINLY THE ONLY FAIR GRAIN CROP, LARGELY REINFORCES THE BASIC PRIORITY OF THIS FIVE YEAR PLAN, NAMELY INCREASING LIVESTOCK AND GRAIN PRODUCTION. THIS SPELLS AS THE PATTERN FOR 1978, IF WE ARE CORRECT - MINOR REORGANIZATIONS, THE BUREAUCRATS DELIGHT,

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AND FURTHER ELABORATION OF PREVIOUSLY ANNOUNCED POLICY LINES. THE AGRICULTURAL TARGETS ANNOUNCED TO DATE REFLECT THIS. WE WOULD DOUBT, INCIDENTALLY, THAT THE MERGER OF THE ENTIRE FOOD CHAIN INTO A SUPER MINISTRY FOR FOOD AND

AGRICULTURE COULD TAKE PLACE THIS YEAR. WE ANTICIPATE
LITTLE COMPLACENCY AND THEREFORE MORE REALISTIC RHETORIC
AGAIN AND A WILLINGNESS TO PUBLISH CRITICISM AND SUGGES-
TIONS FOR IMPROVING EXISTING PROGRAMS WITHIN CURRENT POLICY
LIMITS. THE 1977-78 MARKETING YEAR IMPORT POLICY FOR
GRAIN WILL REMAIN UNCHANGED, I.E., MINIMUM PURCHASES FROM
ABROAD REQUIRED TO SUPPORT EFFORTS TO INCREASE MEAT OUTPUT.
1978 CROP AND CARRY-OVER MUST BE FAIRLY WELL KNOWN BEFORE
ACTUAL IMPORT DECISIONS ARE MADE. WE ALSO FORESEE NO
BASIC POLICY SHIFTS FOR SUGAR, MEAT AND OILSEEDS (SOY-
BEANS) WHICH ARE THE OTHER MAJOR IMPORT COMMODITIES. HERE
AGAIN, THEY WILL MINIMIZE FOREIGN PROCUREMENTS, GEARING
THEM TO SUPPLY IN RELATION TO NEED, HARD CURRENCY COST AND
AVAILABILITY AND PRIORITIES FOR NON-AGRICULTURAL IMPORTS.
THE SOVIETS WILL, OF COURSE, LIVE UP TO THEIR LONG TERM
FOREIGN TRADE COMMITMENTS FOR FARM COMMODITIES. ON THE
IMPORT SIDE THESE CONSIST MAINLY OF THE OBLIGATION TO BUY
6 MILLION TONS OF GRAIN FROM THE U.S. AND 2.7 MILLION TONS
OF RAW SUGAR FROM CUBA. TOON
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 03730 05 OF 05 061722Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, AGRICULTURAL DEVELOPMENT, AGRICULTURAL POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MOSCOW03730
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780100-1099
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803103/aaaadjce.tel
Line Count: 573
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1e2df8b7-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3107293
Secure: OPEN
Status: NATIVE
Subject: AGRICULTURAL SITUATION REPORT - POLICY DEVELOP- MENTS (SS8008 - 24A) A. SUMMARY: NO MAJOR POLICY SHIFTS OCCURRED. MAJO
TAGS: EAGR, EPAP, UR
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/1e2df8b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014